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7988

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INTERSTATE COMMERCE COMMISSION

AGREEMENT

Dated as of April 1, 1975

between

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

and

THE BALTIMORE AND OHIO
RAILROAD COMPANY

- - - - -

Covering

62 3000 H.P. Model GP40-2
Diesel Electric Locomotives

THIS AGREEMENT, dated as of April 1, 1975, by and between GENERAL MOTORS CORPORATION (Electro-Motive Division), a Delaware corporation (Manufacturer), and THE BALTIMORE AND OHIO RAILROAD COMPANY, a Maryland corporation (B&O);

W I T N E S S E T H :

The Manufacturer and B&O heretofore entered into a Locomotive Proposal No. 74695 dated May 24, 1974 and accepted by B&O on July 22, 1974 (a copy of which Locomotive Proposal is made a part hereof by reference), whereunder the Manufacturer agreed to construct and deliver to B&O, and B&O agreed to accept and pay for the following locomotives:

62 3000 HP, Model GP40-2 diesel electric locomotives to bear B&O's road numbers 4185-4246, inclusive (the "Locomotives").

Delivery of the Locomotives by the Manufacturer to B&O is scheduled to begin on or about April 10, 1975. However, inasmuch as B&O has not as yet consummated financing agreements (pursuant to a Conditional Sale Agreement or otherwise), it is not in a position to accept delivery of and pay for the Locomotives under the terms of the Locomotive Proposal at this time. B&O represents that such financing arrangements will be consummated, however, on or before July 1, 1975. B&O (in order that it may use the Locomotives pending completion of the above financing arrangements) has arranged with the Manufacturer to give it temporary custody and possession of the Locomotives on their completion, solely as a bailee of the Locomotives, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

In consideration of the premises, the Manufacturer hereby delivers to B&O and B&O hereby accepts from the Manufacturer the Locomotives as of the date each of them is delivered to B&O at Barr Yard, Chicago, Illinois, or other such place as may be specified by B&O, for the period ending on the earlier of July 1, 1975, or the date of consummation of the above financing arrangements. At such time this Agreement shall automatically be cancelled and superseded without further action by or notice to any party concerned.

Title to the Locomotives shall remain in the Manufacturer and B&O's right and interest therein is and shall be solely that of possession, custody and use as bailee under this Agreement. Transfer of title shall be affected only at the time of delivery of the bills of sale. B&O, without expense to the Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, B&O shall do such other acts as may be required by law, or reasonably requested by the Manufacturer; for the protection of the Manufacturer's title to and interest in the Locomotives.

B&O agrees that it will permit no liens of any kind to attach to the Locomotives; and that it will

- (a) indemnify and save harmless the Manufacturer from any and all claims, expenses or liabilities of whatsoever kind; and
- (b) pay any and all taxes, fines, charges and penalties that may accrue or be assessed or imposed upon the Locomotives of the Manufacturer because of its ownership or

because of the use, operation, management
or handling of the Locomotives by B&O
during the term of this Agreement.

B&O's obligations contained in this paragraph shall survive the
termination by mutual agreement or otherwise of this Agreement.

B&O will, at its own expense, keep and maintain the
Locomotives in good order and running condition and will at its
option repair or replace or promptly pay to the Manufacturer the
purchase price in cash of those Locomotives which may be damaged
or destroyed by any cause during the term of this Agreement.

Prior to the delivery of each Locomotive to B&O under
this Agreement it will be numbered with a road number as herein-
before indicated, and there shall be plainly, distinctly, per-
manently and conspicuously marked upon each side of each Locomotive,
in contemplation of the financing heretofore referred to, the
following legend in letters not less than one inch in height:

"OWNED BY A BANK OR TRUST COMPANY UNDER A
SECURITY AGREEMENT FILED UNDER THE INTER-
STATE COMMERCE ACT, SECTION 20c."

B&O hereby agrees to indemnify the Manufacturer against any liability,
loss or expense incurred by it as a result of the placing of the
aforementioned markings on the Locomotives.

In case, during the effective period of this Agreement,
such markings shall at any time be removed, defaced or destroyed
on any Locomotive, B&O shall immediately cause the same to be
restored or replaced.

All or any of the rights, benefits or advantages of the
Manufacturer, including the right to receive the purchase price

of the Locomotives as provided in the Locomotive Proposal, may be assigned by the Manufacturer and reassigned by any assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of the Manufacturer's warranties, indemnities or any other obligations contained in this Agreement or in the Locomotive Proposal relating to the Locomotives. In the event the Manufacturer assigns its rights to receive the payments herein and/or under the Locomotive Proposal, and B&O receives written notice thereof from the Manufacturer together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by B&O under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in a form satisfactory to B&O.

In the event of any assignment by the Manufacturer of its rights to receive any payments under this Agreement or under the Locomotive Proposal, the rights of such assignee to such payments as may be assigned together with any other rights hereunder which can be and are so assigned shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer in respect to the Locomotives, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to B&O by the Manufacturer. Any and all of such obligations howsoever arising, shall be and will remain enforceable by B&O, its successors and assigns, only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits or

advantages assigned pursuant to this Agreement).

B&O agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to B&O of the Locomotives, as contemplated by this Agreement, shall not relieve B&O of its obligations to accept, take and pay for the Locomotives in accordance with the terms of the Locomotive Proposal, or impair any of the Manufacturer's rights under the Locomotive Proposal.

ATTEST:

W.H. Thomas
ASSISTANT SECRETARY
[Corporate Seal]

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

By P.K. Haglund
Vice President

ATTEST:

William J. Murad
Assistant Secretary

[Corporate Seal]

THE BALTIMORE AND OHIO RAILROAD
COMPANY

By W.C. Wright
Assistant Vice President and
Treasurer

APPROVED AS TO FORM
ICG
Attorney

STATE OF ILLINOIS)
COUNTY OF COOK) SS:

On this 8th of April, 1975, before me personally appeared E. K. HOGGLUND, to me personally known, who being by me duly sworn, says that he is a Vice President of General Motors Corporation (Electro-Motive Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Zula C. Clair
Notary Public
MY COMMISSION EXPIRES JULY 11, 1976

STATE OF OHIO)
COUNTY OF CUYAHOGA) SS:

On this 1st of April, 1975, before me personally appeared L. C. Roig, Jr., to me personally known, who, being by me duly sworn, says that he is Assistant Vice President and Treasurer of The Baltimore and Ohio Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Clara Masuga
Notary Public
CLARA MASUGA
Notary Public, Cuyahoga County, Ohio
My Commission Expires April 21, 1979